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**Certified Public Manager  
Program Project**

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# Maximized Means

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State Budget and Control Board

State Chief Information Office Division

Office of Information Resources

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RECOMMENDATIONS

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**PROBLEM STATEMENT:**

**The Office of Information Resources (OIR) is a revenue-supported office. Operating much like private business, we must generate sufficient revenue to cover our cost of operation and ensure that costs to our customers are held to a minimum. It is essential that we offer leading edge technology solutions while ensuring that our rates remain equal to or better than that of our peer group organizations. Our key stakeholders are customer agencies and ultimately state citizens.**

**In determining my CPM project, the organization's mission, as well as departmental goals was considered.**

**"The *mission* of the Office of Information Resources is to provide:**

- the information infrastructure to agencies and entities of government necessary to their efficient and effective delivery of services, and**

- 
- **the leadership and technical expertise which will facilitate and enable the appropriate integration of new or improved technologies."**<sup>1</sup>

**"The *goals* of the Information Systems Operations (ISO) are to provide information technology and printing services, local area network (LAN)/personal computer support and Web authoring services to State agencies and institutions; to provide cost effective quality planning, acquisition, use and management of information technology."**<sup>2</sup>

**Indications that we are falling short of achieving our mission and goals include:**

- 1.) Customer requests are not always met timely.**  
**Too often information requested by our customers is not delivered within 48 hours.**
- 2.) We are unable to readily answer our own questions with regard to cost recovery; e.g., what impact will technological changes have on rates?**

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<sup>1</sup> State Budget and Control Board, Office of Information Resources 2001 Strategic IT Plan, Page 4

<sup>2</sup> State Budget and Control Board, Office of Information Resources 2001 Strategic IT Plan, Page 9

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**3.) Financial reports show revenue build-up.**

**Allocations for system upgrades and implementations must be considered in order to determine the true financial status before mainframe rates can be adjusted. Further, adequate funds must be maintained to run the business.**

**In order to fully achieve and maintain our mission and goals, we must find resolution to these problems by *determining what methods we can use to operate more efficiently while keeping customer agencies' mainframe costs down.* We must be able to *'maximize our means'*. By moving to an ongoing utilization and cost monitoring process, we can address these problems by eliminating revenue build-up, guaranteeing the best possible rates for customers, and ensuring adequate operational funds are reserved. More specifically, we must:**

- 1.) Perform individual agency analyses and share this information with customers on an ongoing basis. By taking a proactive approach, we can**

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**make substantial progress beyond reducing or eliminating special customer requests for information. Other major benefits to be gained are:**

- a. improved rapport with customer;**
- b. customer utilization/cost reduction by eliminating unnecessary job runs;**
- c. more accurate projections of technology and financial requirements through customer input; and**
- d. more accurate budget planning for the customers.**

**2.&3.) Ensure that rates are kept properly aligned with technological demands and growth. By knowing where we are with all aspects of rate derivation, predictive analyses can readily be performed to provide more accurate projections when considering new technological solutions.**



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**DATA COLLECTION:**

To establish resolution to the three problems, it was necessary to collect the data noted below. The benefit and use of each type of data is also provided.

<b>DATA COLLECTION</b>		
<b>Data Required</b>	<b>Benefit</b>	<b>Use</b>
<b>Monthly cost and utilization detail by agency</b>	<b>Determine what is readily available; available formats and requirements to convert; and time to produce</b>	<b>Monitor utilization for planning purposes (rate development, capacity-hardware and software upgrades, etc.); provide trend reports to customer agencies and to provide recommendations for cost savings.</b>
<b>Samples of current reports available</b>	<b>Determine current report availability and training requirements for further data manipulation</b>	<b>Monitor agency and device utilization (rate development, capacity-hardware and software upgrades, etc.); provide trend reports to customer agencies; provide recommendations for cost savings.</b>
<b>Input from agencies</b>	<b>Determine the level of customer interest in providing input</b>	<b>Project technological requirements</b>

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**DATA ANALYSIS:**

The chart below provides results of the analysis for the data that was collected.

<b>DATA ANALYSIS</b>	
<b>Data Required</b>	<b>Analysis Revealed</b>
<b>Monthly cost and utilization detail by agency in electronic format</b>	<b>This data was not readily available in hard copy or electronic form.</b>
<b>Samples of current reports available</b>	<b>Agency resource detail reports are readily available in electronic (txt) format. No special training is required for file retrieval or data manipulation.</b>
<b>Input from agencies</b>	<b>We have met with our major customer agencies (DOR, DHEC, DSS, DOT, DMH, DOC) and they are very interested in providing input as to their DP requirements and future plans.</b>



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**IMPLEMENTATION PLAN:**

The table below outlines the actions and conclusions for implementation of the project based on the data collected.

<b>IMPLEMENTATION</b>	
<b>Data Required</b>	<b>Action/Conclusion</b>
<b>Monthly cost and utilization detail by agency in electronic format</b>	<b>Worked with Financial Management to establish a routine process to send electronic files in 'txt' format to me at the close of each month. I will then port the files to Excel where I will perform data manipulation and analyses.</b>
<b>Samples of current reports available</b>	<b>I was given access to the Kommand system where a number of reports are readily available. I will port these files to Excel each month and perform data manipulation and analyses. I established formatting in Excel that will provide monthly data analyses with minimal updating.</b>
<b>Input from agencies</b>	<b>Routine meetings are held to discuss analyses and any changes that we or the customer expect.</b>

In my attempts to establish routine reporting from our Financial Management (FM) section, I encountered problems with turnaround time, as well as data accuracy. I worked with FM to create report files that are all inclusive of agencies' monthly data to eliminate the need for ad hoc or special reporting.

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**Additionally I have established methods of 'checks and balances' to ensure the accuracy of the data.**

**With regard to the problems encountered with turnaround time, two key staff members will be retiring in March, and the staff member that will be responsible for most of the work is just returning from maternity leave. She is also a fairly new employee with just over one year of service in the department. The report jobs that we have established will simplify reporting for her, saving her time and eliminating chance for error.**

**Since training will not be required, there are no costs directly related to implementation of this project. The time required of the Financial Management staff and me offset since special reporting has been eliminated.**

**We plan to provide routine analyses (See Appendix A) to our six major customers and to others upon request. Our major customers account for approximately 75% of our revenue.**

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**EVALUATION METHOD:**

**We will be evaluating the effectiveness of the project on an ongoing basis. Given the nature of the project, failure will be easy to recognize. Customer analyses and meetings will be our primary progress indicators. Financial reports will be monitored monthly to ensure that technological implementations can be funded with no revenue buildup. All aspects of rate derivation; e.g., staffing, expenses, revenue, resource utilization and projects, will be reviewed monthly so that we can readily determine the impact of technological changes by applying 'what if' scenarios.**

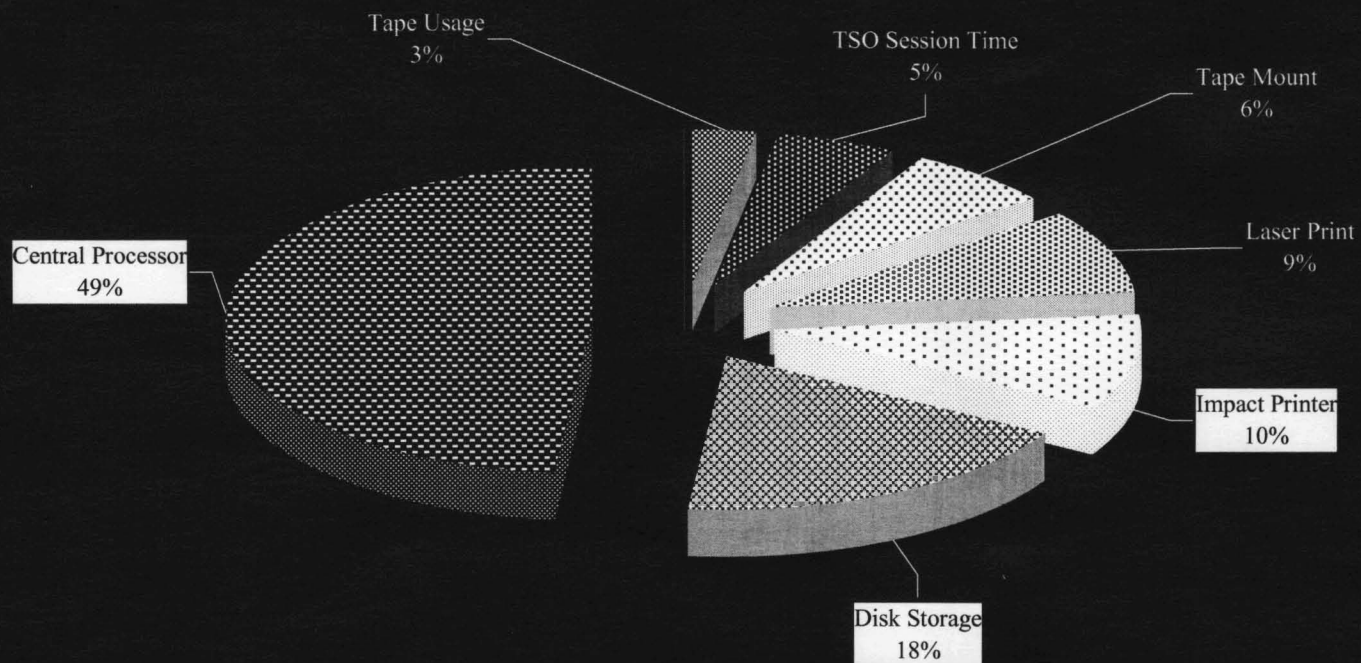
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**APPENDIX A**

**Sample Customer Analysis**

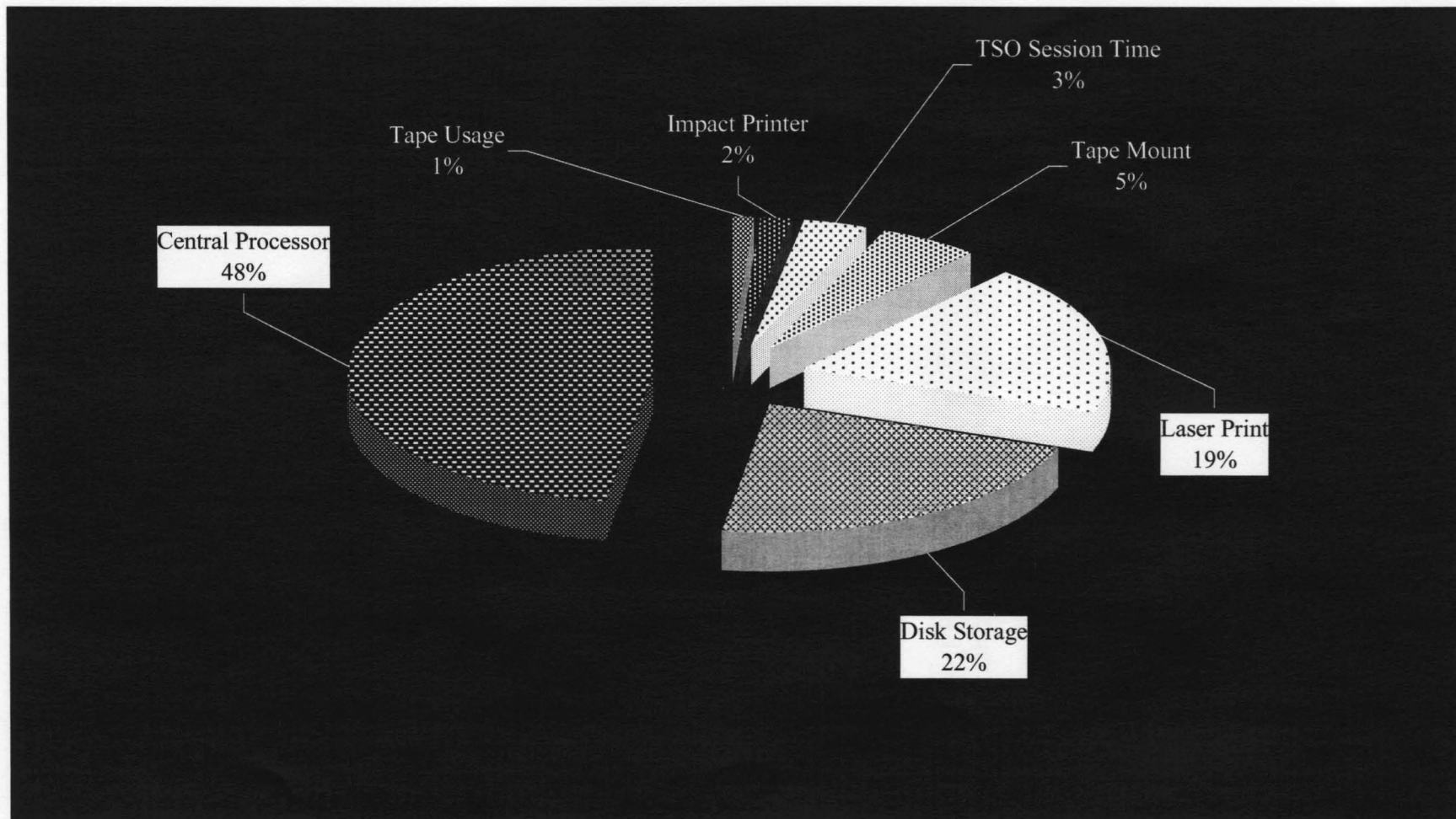
**APPENDIX A (SAMPLE CUSTOMER ANALYSIS).XLS**

## Percent of Total Cost By Category November 2000 Through January 2002



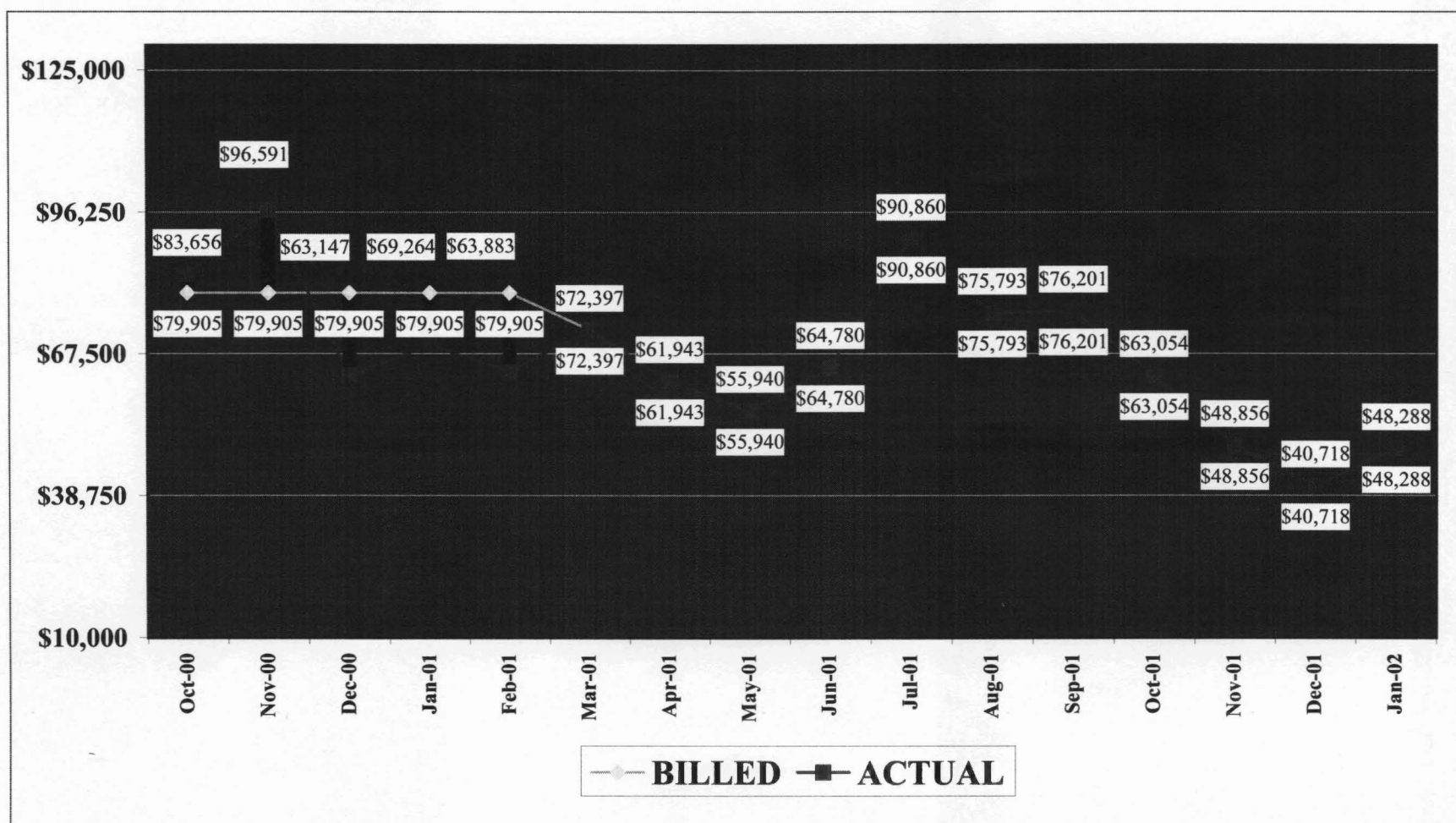


## Percent of Total Monthly Cost By Category Month of January 2002

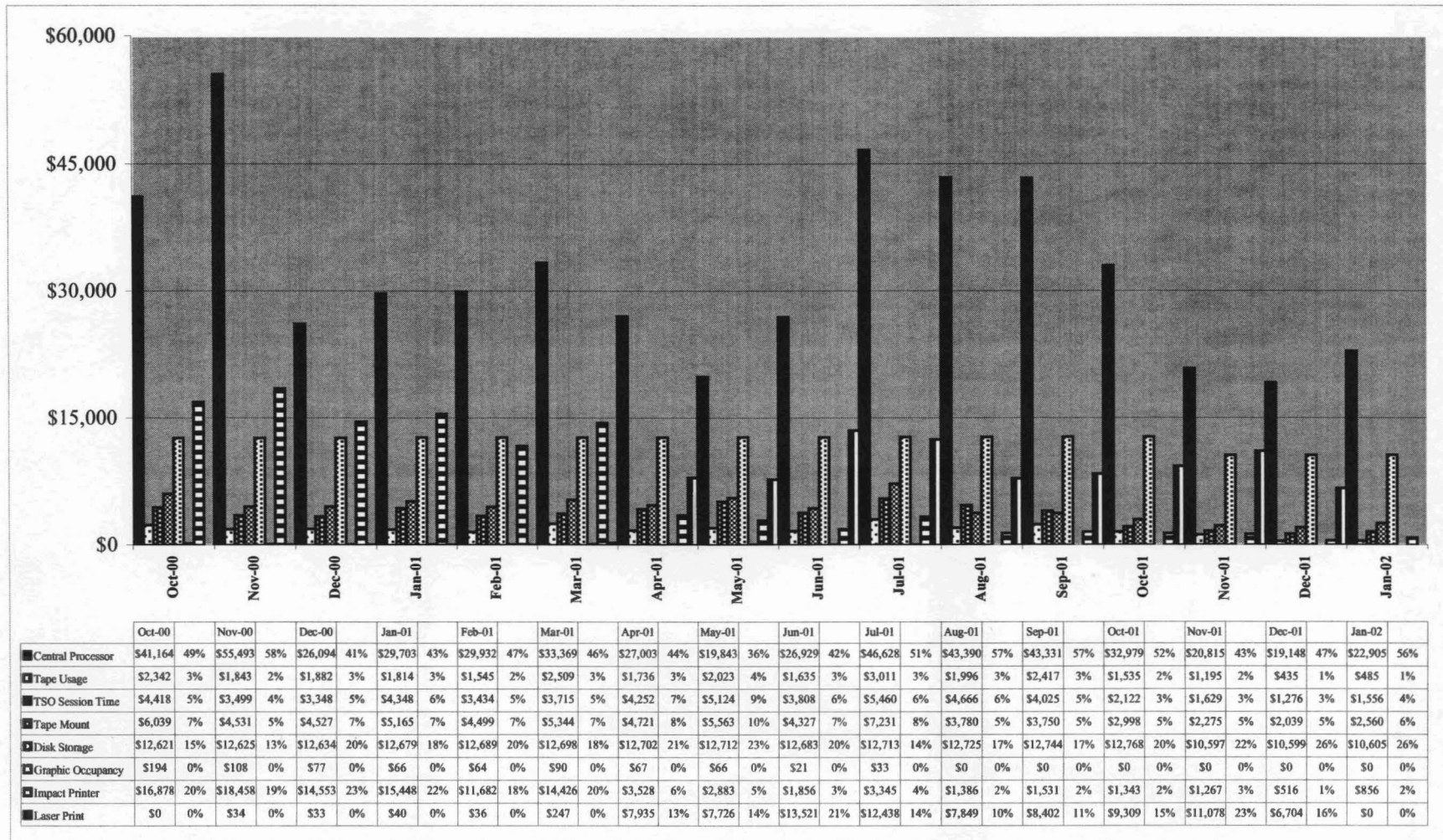




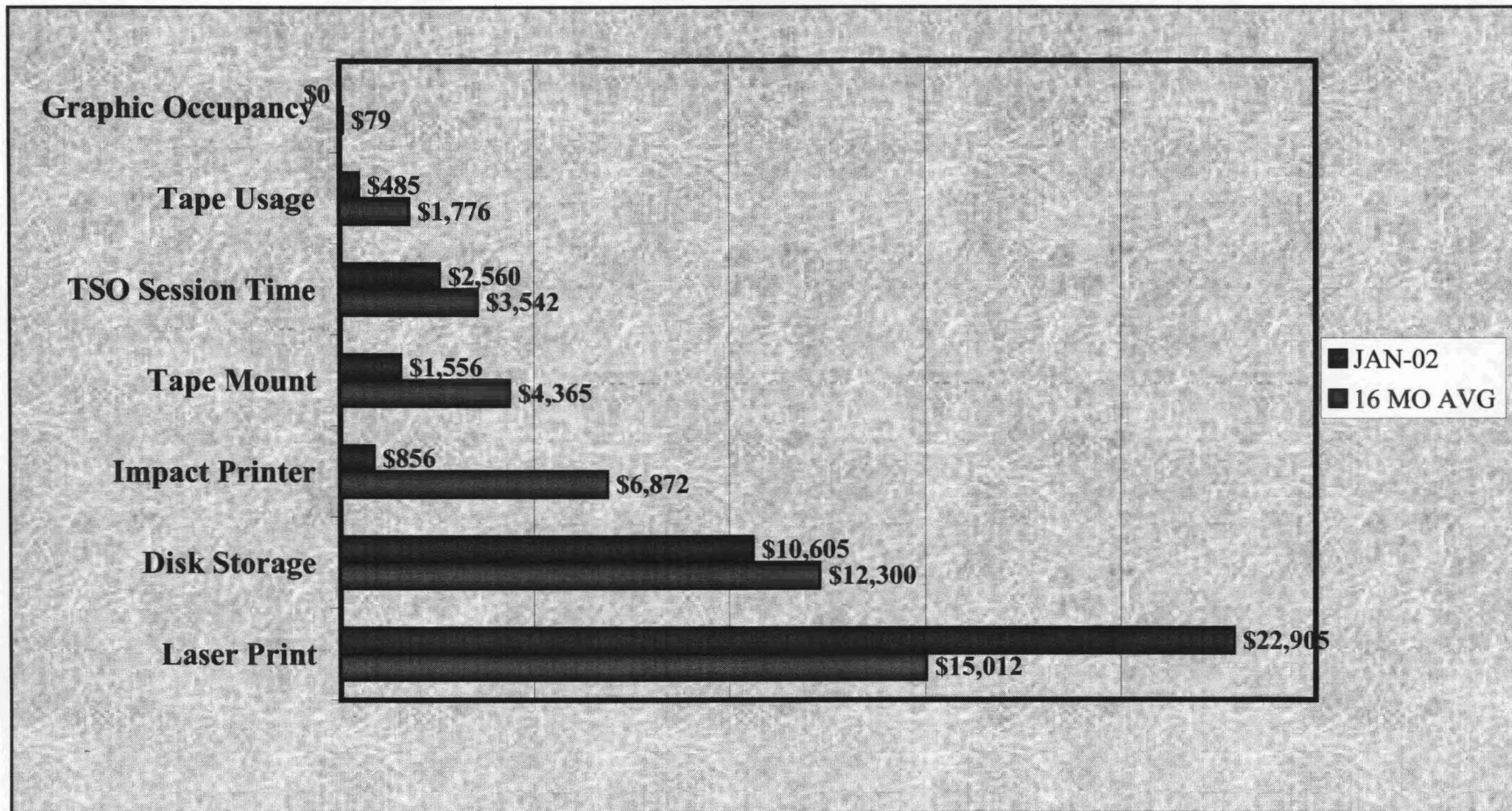
## Actual and Billed Cost Comparison



## Monthly Charges By Category



## Comparison - Average Charges and Current Month (November 2000 Through January 2002)





## Monthly Actual Cost (Percent Change Between Years)

